State of Arizona House of Representatives Forty-fifth Legislature Second Regular Session 2002

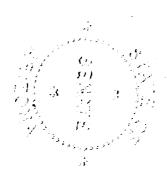
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HOUSE BILL 2116

AN ACT

AMENDING SECTIONS 5-324, 28-450, 28-2060, 33-1701 AND 33-1704, ARIZONA REVISED STATUTES; RELATING TO SELF-SERVICE STORAGE.

(TEXT OF BILL BEGINS ON NEXT PAGE)



Be it enacted by the Legislature of the State of Arizona: Section 1. Section 5-324, Arizona Revised Statutes, is amended to read:

5-324. <u>Public records; identification of requester; supplying information by mail; records custodians; certification of records</u>

- A. All records of the department made or kept pursuant to this article are public records.
- B. The department shall furnish information or copies from the records kept pursuant to this section subject to sections 39-121.01 and 39-121.03.
- C. A person requesting a copy of a public record pursuant to this section shall identify himself and state the reason for making the request. The department shall verify the name and address of the person making the request by requiring him to produce necessary information to ensure that the information given is true and correct.
- D. The department shall not divulge any information from a watercraft registration record unless the person requesting the information provides the following:
 - 1. The name of the owner.
 - 2. The hull identification number of the watercraft.
 - 3. The department issued number assigned to the watercraft.
- E. The procedures required by subsections C and D of this section do not apply to:
- 1. This state or any of its departments, agencies or political subdivisions.
 - 2. A court.
 - 3. A law enforcement officer.
 - 4. A licensed private investigator.
- 5. Financial institutions and enterprises under the jurisdiction of the state banking department or a federal monetary authority.
 - 6. The federal government or any of its agencies.
- 7. An attorney admitted to practice in this state who alleges the information is relevant to any pending or potential court proceeding.
- 8. AN OPERATOR OF A SELF-SERVICE STORAGE FACILITY LOCATED IN THIS STATE WHO ALLEGES BOTH OF THE FOLLOWING:
- (a) THAT THE WATERCRAFT ON WHICH THE OPERATOR IS REQUESTING THE RECORD IS IN THE OPERATOR'S POSSESSION.
- (b) THAT THE RECORD IS REQUESTED TO ALLOW THE OPERATOR TO NOTIFY THE REGISTERED OWNER AND ANY LIENHOLDERS OF RECORD OF THE OPERATOR'S INTENT TO FORECLOSE ITS LIEN AND TO SELL THE WATERCRAFT.
- F. The department may supply the requested information by mail or telecommunications.
- G. The director may designate as custodian of the department's public records those department employees he deems necessary. If a public record of the department has been certified by a records custodian and authenticated

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 as required under proof of records (records of public officials), rules of civil procedure and the rules of evidence for courts in this state, it is admissible in evidence without further foundation.

- H. Notwithstanding subsection D of this section, information may be supplied for commercial purposes, as defined in section 39-121.03, if the information is transmitted in a machine readable form such as computer magnetic tape to the person making the request.
- I. The department shall maintain for a period of at least one year a file of requests for information which shall be maintained by the name of the person whose record was requested, except those requests made by government agencies.
 - Sec. 2. Section 28-450, Arizona Revised Statutes, is amended to read: 28-450. Release of information prohibited: classification: definition
 - A. Notwithstanding section 28-447, the department shall not:
- 1. Divulge information from a vehicle title or registration record unless the person who requests the information provides to the department all of the following:
 - (a) The name of the owner.
 - (b) The vehicle identification number of the vehicle.
 - (c) The vehicle license plate number assigned to the vehicle.
- 2. Release a copy of a record or divulge information concerning a person's driving record unless the person requesting the driving record provides to the department all of the following:
- (a) The name of the licensee or the name of the person whose record is requested.
- (b) The driver license number of the licensee, a statement that the person whose record is requested has not applied for a license or a statement that the license has been suspended or revoked.
- (c) The date of birth of the licensee or the expiration date of the driver license of the licensee.
 - B. Subsection A of this section does not apply to:
 - 1. A state or its departments, agencies or political subdivisions.
- 2. Any agent of the department of environmental quality who has a valid contract to conduct the random on-road testing program prescribed by section 49-542.01.
 - 3. 2. A court.
- 4. 3. A law enforcement officer, including a law enforcement officer in a foreign country.
- ,.......57 4. A licensed private investigator.
- ϕ 6005. A financial institution or enterprise under the jurisdiction of the state banking department or a federal monetary authority.
 - 77.6. The federal government or its agencies.

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- 8. 7. An attorney who is admitted to practice in this state and who alleges that the information is relevant to a pending or potential court proceeding.
- 9. 8. A motor vehicle dealer who is licensed and bonded by the department or a state organization of licensed and bonded motor vehicle dealers.
- 10. 9. The release of any of the following information to a person who is involved in an accident or to the owner of a vehicle involved in an accident if the person who requests the information submits proof to the department of involvement in the accident:
- (a) The driving record of a person who operates a motor vehicle involved in the accident.
- (b) The vehicle title or registration record of a vehicle involved in the accident.
- 11. 10. The release of the driving record or title and registration record if that record is for the requester's vehicle or is the requester's own driving record, except that the director may require any information from the requester that is deemed necessary to ensure that the requester is entitled to receive the record.
- 12. 11. An insurer that writes automobile liability or motor vehicle liability policies and that is under the jurisdiction of the department of insurance, except that an insurer or its authorized agent requesting information pursuant to subsection A of this section shall provide two of the three requirements under subsection A, paragraph 1 or 2 of this section before the department divulges or releases the information.
- 13. 12. The release of a title and registration record if all of the following conditions exist:
- (a) The requester verifies to the satisfaction of the director that the vehicle on which the requester is requesting the record is in the requester's possession.
- (b) The record is requested in order for the requester to notify the registered owner of the requester's intent to apply to the department for a bonded title.
- (c) The requester provides a verification of a vehicle inspection that was performed by an authorized department employee or agent.
- 13. AN OPERATOR OF A SELF-SERVICE STORAGE FACILITY LOCATED IN THIS STATE WHO ALLEGES ALL OF THE FOLLOWING:
- (a) THAT THE VEHICLE ON WHICH THE OPERATOR IS REQUESTING THE RECORD IS IN THE OPERATOR'S POSSESSION.
- 40 ALLOW THE OPERATOR TO NOTIFY THE REGISTERED OWNER AND ANY LIENHOLDERS OF RECORD OF THE OPERATOR'S INTENT TO , 42 FORECLOSE ITS LIEN AND TO SELL THE VEHICLE.
 - (c) THAT THE OPERATOR OBTAINED A VERIFICATION OF A VEHICLE INSPECTION THAT WAS PERFORMED BY AN AUTHORIZED DEPARTMENT EMPLOYEE OR AGENT.

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- C. An authorized agent shall promptly deliver information received from the department pursuant to subsection A of this section and subsection B, paragraph 12 11 of this section to the insurer that originally requested the information. An authorized agent shall not copy, retain or transfer by any means any of the information for the authorized agent's own use or for use by persons other than the insurer that originally requested the information.
- D. The department shall not release to an insurer, broker, managing general agent, authorized agent or insurance agent any information in a person's driving record pertaining to a traffic violation that occurred forty months or more before the date of the request for the release of the information.
- E. An authorized agent who commits any of the following acts with regard to information received pursuant to subsection A of this section and subsection B, paragraph 12 11 of this section is guilty of a class 1 misdemeanor:
- 1. Uses a false representation to obtain information from a department record.
- 2. Sells or otherwise distributes the information obtained from the department to a person or organization for purposes that are not disclosed in the request.
 - 3. Violates subsection C of this section.
- F. For the purposes of this section, "authorized agent" means a third party retained by an insurer for the purpose of requesting department information pursuant to subsection A of this section and subsection B, paragraph 12 11 of this section but does not include an insurance producer as defined in section 20-281 or a managing general agent as defined in section 20-311.
 - Sec. 3. Section 28-2060, Arizona Revised Statutes, is amended to read: 28-2060. Transfer of ownership by operation of law
- A. Except as provided in subsection F of this section, when the title or interest of an owner of a registered vehicle passes to another other than by voluntary transfer, the transferee shall obtain a transfer of registration within thirty days after the passing of the title or interest.
- B. Within thirty days after passing of the title or interest of an owner of a registered or unregistered vehicle, the transferee of the vehicle shall obtain a new certificate of title on proper application and presentation of the last certificate of title, if available, and such instruments or documents of authority or certified copies of the instruments or documents that are sufficient or required by law to evidence or effect a transfer of title or interest in or to chattels that pass to another other than by voluntary transfer.
- C./If a motor vehicle has been forfeited to the federal government and is sold at public auction pursuant to federal law, the purchaser at the sale takes title free of any liens or encumbrances if federal law so provides. If

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a motor vehicle has been forfeited to any local or state government entity, agency or political subdivision or to any federal law enforcement agency after the disposition of all claims under the laws of this state, the order of the court forfeiting the vehicle shall transfer good and sufficient title to the transferee and to any subsequent purchaser or transferee. The purchaser or transferee shall register the motor vehicle within thirty days after the sale or transfer, and the department shall issue a certificate of title to the purchaser or transferee on presentation of the evidence of title without any reference to liens or encumbrances.

- D. The transferee of a vehicle required to be titled and registered under section 28-2153 or a mobile home required to be titled under section 28-2063 may obtain a transfer of registration to the transferee and a new certificate of title if both of the following occur:
- 1. The title or interest of the owner of the vehicle passes to another either:
- (a) Through notice and sale under the conditions contained in any security agreement, chattel mortgage, conditional sale or other evidence of lien or under the authority given by statute in cases arising under sections 33-1021 and 33-1022 OR UNDER SECTION 33-1704.
- (b) For a mobile home the lien on which is also a lien on real property, through a contract for conveyance of real property, deed of trust or mortgage.
- 2. Satisfactory evidence is presented to the director that the sale of the vehicle was fairly and lawfully conducted in conformity with all requirements of law after due notice to the former owner. IN CASES ARISING UNDER SECTION 33-1704, A DECLARATION THAT IS SIGNED BY BOTH THE SELLER AND THE BUYER AND THAT SETS FORTH COMPLIANCE WITH SECTION 33-1704 CONSTITUTES SATISFACTORY EVIDENCE, AND THE DIRECTOR MAY RELY ON THAT DECLARATION.
- E. Any administrator, executor, trustee or other representative of the owner, a peace officer or a person repossessing a vehicle under the terms of any conditional sales contract, lease, chattel mortgage or other security agreement or a purchaser at a sale foreclosing a lien, or the assignee or legal representative of any such person, may operate a vehicle from the place of repossession or place where it was formerly kept to a garage or place of storage in the county or state where the contract was recorded or where the person repossessing the vehicle resides or to any other garage or place of storage that is not more than seventy-five miles from the place of repossession or place where the vehicle was formerly kept by the owner if either of the following conditions exists:
- The license plates assigned to the vehicle are displayed on the vehicle. $\langle \cdot \rangle$
- 2. If license plates are not displayed, a written permit has been obtained from the department or the local authorities having jurisdiction over the highways and a placard that bears the name and address of the person

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authorizing the movement and that is legible from a distance of one hundred feet during daylight is displayed in plain sight on the vehicle.

- F. If ownership of a motor vehicle titled in this state or another state reverts through operation of state law to a lienholder of record through repossession pursuant to the terms of a security agreement or through another similar instrument that is valid in such state, an affidavit by the lienholder of record stating that the vehicle was repossessed on défault of the terms stated in the security agreement or similar instrument is proof of ownership, right of possession and right of transfer. The director shall prescribe the form and content of the affidavit. This state and its agencies, employees and agents are not liable for relying in good faith on the content of the affidavit.
 - Sec. 4. Section 33-1701, Arizona Revised Statutes, is amended to read: 33-1701. <u>Definitions: exception</u>
 - A. In this article, unless the context otherwise requires:
- 1. "Default" means the failure to perform on time any obligation or duty set forth in the rental agreement.
- 2. "DEPARTMENT" MEANS THE ARIZONA GAME AND FISH DEPARTMENT IN THE CASE OF MOTORIZED WATERCRAFT AND THE DEPARTMENT OF TRANSPORTATION IN THE CASE OF ALL OTHER VEHICLES.
- 2. 3. "Last known address" means that address provided by the occupant in the rental agreement or the address provided by the occupant in a subsequent written notice of a change of address.
- 3. 4. "Late fee" means a reasonable fee or charge that is assessed by the operator for the failure of the occupant to pay rent when due pursuant to section 33-1703, subsection D.
- 4. 5. "Leased space" means the individual storage space at the self-service storage facility which is rented to an occupant pursuant to a rental agreement.
- 5. 6. "Net proceeds" means the total proceeds received from the lien sale less the total amount of the lien.
- 6. 7. "Occupant" means a person or his sublessee, successor or assign, entitled to the use of a leased space at a self-service storage facility under a rental agreement, to the exclusion of others.
- $7.\,$ 8. "Operator" means the owner, operator, lessor or sublessor of a self-service storage facility, an agent or any other person authorized to manage the facility.
- 8. 9. "Personal property" means movable property. THAT IS not affixed to land, and includes but is not limited to goods, wares, meachandise, and household items and furnishings AND VEHICLES.
- 10. "REGISTERED OWNER" MEANS AN OWNER OF A VEHICLE AS STATED IN THE OFFICIAL RECORDS OF THE DEPARTMENT.
- 9. 11. "Rental agreement" means any written agreement provided to the occupant which establishes or modifies the terms, conditions or rules concerning the use and occupancy of a self-service storage facility.

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- 10. 12. "Self-service storage facility" means any real property used for renting or leasing individual storage spaces in which the occupants themselves customarily store and remove their own personal property on a self-service basis.
- 13. "VEHICLE" MEANS A MOTOR VEHICLE, A TRAILER OR A SEMITRAILER AS DEFINED IN SECTION 28-101 AND A MOTORIZED WATERCRAFT AS DEFINED IN SECTION 5-301.
- B. The provisions of This article do DOES not apply to a warehouseman unless the warehouseman issues a warehouse receipt, bill of lading or other document of title for the personal property stored.
 - Sec. 5. Section 33-1704, Arizona Revised Statutes, is amended to read: 33-1704. Enforcement of lien
- A. If the occupant is in default for a period of more than thirty days, the operator may foreclose the lien by selling the property stored in the leased space at a public sale, for cash. Proceeds shall then be applied as provided in subsection D E of this section. IF THE CONTENTS OF THE OCCUPANT'S SPACE INCLUDE A VEHICLE, THE PROVISIONS OF SECTION 28-4839 DO NOT APPLY.
- B. Before conducting a sale under subsection A OF THIS SECTION, the operator shall:
- 1. Notify the occupant of the default by certified mail, with return receipt requested, at the occupant's last known address.
- 2. Send a second notice of default by regular mail not less than seven days after the mailing date of the first notice to the occupant at the occupant's last known address which includes:
- (a) A statement that the contents of the occupant's leased space are subject to the operator's lien.
- (b) A statement of the operator's claim, indicating the charges due on the date of the notice and any other charges that may accrue.
- (c) A demand for payment of the charges due within a specified time, not less than fourteen days after the mailing date of the second notice or thirty additional days if the address of the occupant is outside of the continental United States.
- (d) A statement that unless the claim is paid within the time stated the contents of the occupant's space will be sold at a specified time and place.
- (e) The name, street address and telephone number of the operator, or his designated agent, whom the occupant may contact to respond to the notice.
 - . 3. IF THE CONTENTS OF THE OCCUPANT'S SPACE INCLUDE A VEHICLE:
- COLUMN (6) AT THE TIME THE NOTICE IS SENT PURSUANT TO PARAGRAPH 1 OF THIS SUBSECTION, SEND A NOTICE OF DEFAULT BY CERTIFIED MAIL, RETURN RECEIPT REQUESTED, TO THE REGISTERED OWNER AT THE REGISTERED OWNER'S MOST RECENT ADDRESS AS SHOWN IN THE RECORDS OF THE DEPARTMENT.
- (b) AT THE TIME THE NOTICE IS SENT PURSUANT TO PARAGRAPH 2 OF THIS SUBSECTION, SEND A NOTICE OF DEFAULT BY REGULAR MAIL TO THE REGISTERED OWNER

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AT THE REGISTERED OWNER'S MOST RECENT ADDRESS AS SHOWN IN THE RECORDS OF THE DEPARTMENT.

- (c) THE OPERATOR IS NOT REQUIRED TO SEND A NOTICE PURSUANT TO THIS PARAGRAPH IF OWNERSHIP INFORMATION FOR A VEHICLE IS UNAVAILABLE.
- (d) IN ANY NOTICE THAT IS SENT, INCLUDE A DESCRIPTION OF THE VEHICLE AND ITS VEHICLE IDENTIFICATION NUMBER.
- 3. 4. At least five TEN days prior to the sale, notify BY CERTIFIED MAIL, RETURN RECEIPT REQUESTED any record lienholder or secured party who has an interest in the property to be sold, of whom the operator has actual or constructive knowledge either through the disclosure provision of the rental agreement or through any other written or recorded notice of the sale, aπd that any prior record lienor or secured party may at any time prior to the sale recover possession of the item of personal property to which the record lien or security interest attaches.
- 4. 5. At the time the operator sends the second notice to the occupant, the operator shall publish a notice indicating the date, time and place of the sale and a description of the property to be sold. This notice shall be published once a week for two consecutive weeks in a newspaper of general circulation in the county where the self-service storage facility is located. If there is no newspaper of general circulation in the county where the self-service storage facility is located, the notice shall be posted at least ten days before the date of the sale in not less than six conspicuous places in the neighborhood where the self-service storage facility is located.
- C. At any time before a sale under this section, the occupant may pay the amount necessary to satisfy the lien and redeem the occupant's personal property.
- IF THE PERSONAL PROPERTY INCLUDES A VEHICLE, ANY PERSON LISTED AS A REGISTERED OWNER OR LIENHOLDER ON THE RECORDS OF THE DEPARTMENT MAY PAY THE AMOUNT NECESSARY TO SATISFY THE LIEN, REDEEM THE VEHICLE AND RECOVER POSSESSION OF THE VEHICLE. THE OPERATOR IS NOT LIABLE TO THE OCCUPANT OR ANY OTHER PERSON WHO CLAIMS AN INTEREST IN THE VEHICLE IF THE OPERATOR RELEASES THE VEHICLE TO A PERSON LISTED AS A REGISTERED OWNER OR LIENHOLDER PURSUANT TO THIS SUBSECTION.
- D. E. If a sale is held under this section, the operator shall distribute the proceeds in the following manner:
 - To pay all reasonable costs of sale.
- To satisfy the valid claims of any lienholder or secured party not otherwise subordinated pursuant to section 33-1703, subsection A.
 - ્રુણ To satisfy the operator's lien.
- 40 4: To satisfy the valid claims of any record lienholder or secured 1/41 17 party subordinated pursuant to section 33-1703, subsection A. 1 1 42
 - $57^{27/4}$ To the occupant on demand.
- 7.43 $\mathbf{g}(\mathbf{r})$ If the occupant does not claim the balance due to him within ninety /44 days of the sale, the operator shall pay the balance to the department of 45

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revenue. If the occupant, at any time within two years from the date of payment to the department of revenue, establishes his right to the money to the satisfaction of the director of the department of administration, it shall be paid to him. After two years, all unclaimed monies shall be deposited in the permanent state school fund.

this article takes the property free and clear of any rights of any party.

f. G. If the operator complies with the provisions of this article, the operator's liability arising from the sale:

- 1. To the occupant is limited to the net proceeds received from the sale of the personal property.
- 2. To other lienholders or A secured party is limited to the net proceeds received from the sale of any personal property covered by that other lien.

G. H. If an occupant is in default, the operator may deny the occupant access to the leased space.

H. I. Unless the rental agreement specifically provides otherwise and until a lien sale under this article, the exclusive care, custody and control of all personal property stored in the leased self-service storage space remain vested in the occupant. If the occupant is in default for a period of more than thirty days and until the time of sale, the operator may, in addition to denying the occupant access to the personal property, transfer the personal property to a place of safekeeping.

APPROVED BY THE GOVERNOR APRIL 29, 2002.

FILED IN THE OFFICE OF THE SECRETARY OF STATE APRIL 30, 2002.



Passed the House March 2	/,20 <u>02</u> ,	Passed the	Senate	vil 17	,20_02
by the following vote:5	4Ayes,	by the follo	owing vote:	29	Ayes,
O Nays, 6 Speaker of the Hou			Nays,	A	Not Voting
Mornson L. Moore Chief Clerk of the Ho	ouse	<u>Uhar</u>	ecretary of the	Senate Son	
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Governor of Arizon	a			VE DEPARTMEN E OF SECRETAR	NT OF ARIZONA RY OF STATE
			This Bill wa	as received by the	Secretary of State
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•			at	o'clock	M.
					Secretary of State

HOUSE CONCURS IN SENATE AMENDMENTS AND FINAL PASSAGE by the following vote: 6 Not Voting Speaker of the House EXECUTIVE DEPARTMENT OF ARIZONA OFFICE OF GOVERNOR This Bill was received by the Governor this day of Approved this

EXECUTIVE DEPARTMENT OF ARIZONA OFFICE OF SECRETARY OF STATE

This Bill was received by the Secretary of State

this 30 day of April , 20 02

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Secretary of State

H.B. 2116

12:50 o'clock